

EXHIBIT 49

Regulatory Agency Contact Report

DEA 2007- 183 Policy
Agency Contacted RACR No.

William "Bill" Davis
Person Contacted
12/12/2007
Contact Date

Brian Strehlke
Johnson & Johnson Contact
GPSG JOM
J&J Managing Group/Affiliate
Raritan, NJ
Site

Position: Diversion Program Manager
Office: District San Francisco >>>
Media: Email Phone >>>

Product: >>> **Drug:** >>> **Attachment**

 ARCOS **CSI** **Destruction** **Export** **Facility** **Quota**

 222 **Security** **Other**

SUMMARY:

Cardinal Health is one of our biggest wholesale customers. Several Cardinal Distribution Centers (DC) have recently had their registrations suspended by DEA. Cardinal responded by shifting orders from the suspended sites to other Cardinal DCs causing them to trigger Suspicious Order flags. DEA was contacted to determine if there was a problem with looking at Cardinal as one system and filling these orders.

Mr. Davis said that our approach was reasonable.

DETAILS:

The Suspicious Order system at JOM evaluates order quantities based on individual DCs. Looking at all Cardinal orders, the orders for the week fell within limits (3X of the rolling year average).

Mr. Davis sent the query to David Barber, Associate Chief Counsel for Diversion, who is heading up the Cardinal investigation. He responded to Mr. Davis that DEA would not tell us not to fill orders for a registrant in good standing. Mr. Davis said that our approach sounded good and was a reasonable response to this situation.

Strehlke, Brian [GPSUS]

From: Strehlke, Brian [GPSUS]
Sent: Wednesday, December 12, 2007 11:23 AM
To: Bill Davis (E-mail)
Subject: Orders

Bill,

I hope this finds you well. I'm in Puerto Rico where it's been storming all week.

The situation with regards to our Distribution Center is this:

Cardinal Health is a big customer. They have dozens of DCs around the country. Several have recently had their DEA registrations placed on hold by the agency.

We see some upticks in demand from other Cardinal DCs as their system attempts to accomodate customers who can not presently be supplied by the DCs which have been placed on hold. Some of these have resulted in orders which hit our the "suspicious order" quantity trigger in our system by being >3X the average order of the last 12 months.

As these orders are: 1) to a large known distributor, 2) explained, 3) actually generated by employees at our DC who have visibility into the Cardinal inventory system, they are not to my interpretation suspicious.

My question to you is:

Does DEA have any objection to our filling the increased orders to Cardinal DCs which have registrations which are still in good standing?

Thanks,
Brian

*Brian Strehlke
Director, DEA Compliance
GPSG North America
a Unit of ALZA Corporation
650-564-2302*

Strehlke, Brian [GPSUS]

From: Davis, William R. [William.R.Davis@usdoj.gov]
Sent: Wednesday, December 12, 2007 11:38 AM
To: Strehlke, Brian [GPSUS]
Cc: Barber, David L.
Subject: Orders FROM CARDINAL TO ALZA
Importance: High

BRIAN,

I HAVE FORWARDED YOUR QUESTIONS TO OUR ASSOCIATE CHIEF COUNSEL FOR DIVERSION. THE SAN FRANCISCO DIVISION IS NOT DIRECTLY INVOLVED WITH THIS INVESTIGATION SO I WANT SOMEONE WHO KNOWS THE RESTRICTIONS TO RESPOND TO YOU DIRECTLY CONCERNING CARDINAL ISSUES.

-----Original Message-----

From: Strehlke, Brian [GPSUS] [mailto:BSTREHLK@PSGus.jnj.com]
Sent: Wednesday, December 12, 2007 11:23 AM
To: Davis, William R.
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Director, DEA Compliance
GPSG North America

Strehlke, Brian [GPSUS]

From: Strehlke, Brian [GPSUS]
Sent: Friday, December 14, 2007 7:56 AM
To: 'Davis, William R.'
Cc: Barber, David L.
Subject: RE: Orders FROM CARDINAL TO ALZA

Bill,

Thanks for forwarding.

Just to clarify, our company distributor is JOM Pharmaceutical Services in New Jersey.

The most recent orders which brought this up are for the Cardinal DC in Elk Grove, CA.

We do not want to risk patients not getting needed medication and plan to fill these orders. Due to the reasons I listed below, these orders are not suspicious. To my knowledge, only the Auburn, WA; Lakeland, FL and Swedesboro, DE; Cardinal sites have had their registrations suspended. As the remaining Cardinal facilities are still registered in good standing, we plan to fill orders to them which we expect to be greater than usual due to the suspensions.

The controlled substance products we ship are:

Duragesic (Fentanyl patch)
Concerta (Methylphenidate OROS tablet)
Tylenol with Codeine (tablet)
Tylox (acetaminophen with Oxycodone tablet)

Please get back to me if the agency is looking for a different approach.

Thanks,
Brian

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